

**City Council
Agenda Memo**



**City Council
Meeting Date: 09-12-13**

TO: Larry D. Gilley, City Manager
FROM: Richard Burdine, Assistant City Manager for Economic Development
SUBJECT: Annual Contract Renewals – Development Corporation of Abilene, Inc.

GENERAL INFORMATION

The Development Corporation of Abilene, Inc. (DCOA) approved a budget for FY2014 that includes contract renewals with the City of Abilene for Business Services and the Airport Business Development Management program, the Abilene Industrial Foundation, Inc., Chamber of Commerce Military Affairs Committee, and Texas Tech University Small Business Development Center. Most of these agencies have been funded either wholly or in part by the DCOA since 1990.

SPECIAL CONSIDERATIONS

See page 2.

FUNDING/FISCAL IMPACT

Maximum amount to be paid by the DCOA under FY14 contracts:

City of Abilene Business Services (Acct Unit 7602752760)	\$ 646,607
Property Maintenance (Acct Unit 7602752775)	\$ 189,070
Property Maint. Life Sciences (Acct Unit 7602752765)	\$ 579,930
Property Damage Ins. Premium (Acct Unit 7602752775)	\$ 119,736
City of Abilene Airport Business Dev. Mgmt (Acct Unit 1006006060)	<u>\$ 189,159</u>
TOTAL	\$1,724,502 Paid by DCOA

STAFF RECOMMENDATION

Staff recommends the City Council approve, by oral resolution, the annual renewal contracts between the City and DCOA for Business Services and Airport Business Development Management. Staff also recommends City Council authorize the City Manager to execute the contracts on behalf of the City.

BOARD OR COMMISSION RECOMMENDATION

The DCOA Board approved the FY2014 budget and contract renewals on August 27, 2013.

ATTACHMENTS

None.

Prepared by: Kim Tarrant, Business Services
Manager
Name: Richard Burdine
Title: Asst. City Manager for Economic
Development

Item No. 6.2

Disposition by City Council

- Approved Ord/Res# _____
 Denied
 Other

City Secretary

SPECIAL CONSIDERATIONS

The contracts referenced above are being renewed for one year beginning 10-1-13. All agencies are evaluated each year to determine compliance with the current contract performance objectives. The Project Evaluation Committee of the DCOA reviewed the audits and made a report to the Board with recommendations to renew the contracts. The Budget & Finance Committee of the DCOA reviewed all funding requests and made a recommendation to the DCOA for FY14 funding levels. All agencies are reimbursed for actual expenses. The two contracts with the City of Abilene are being submitted for approval.

Business Services (Economic Development) contract for FY14 includes all administrative expenses for the Development Corporation of Abilene in the amount of \$646,607, which includes a staff of 5 in the Economic Development Department. Also included in the contract are \$189,070 for maintenance and other up-keep expenses for DCOA-owned properties, \$579,930 for operations and maintenance of the Abilene Laboratories building (f/k/a Abilene Life Sciences Accelerator) and lab on Pine St., and \$119,736 for property damage insurance premiums to cover all DCOA-owned properties under the City's self-insurance program. The total FY14 funding authorization is \$1,535,343, 2% less than FY 2013.

The current FY13 contract amounts are \$641,364 for operating, \$186,320 for DCOA-owned properties maintenance, \$614,646 for Life Sciences properties operations and maintenance, and \$122,484 for insurance premiums for a total amount of \$1,564,813.

Airport Business Development Management contract for FY14 is in the amount of \$189,159 for salary support for the Business Development Manager, consulting services to expand current air service, and marketing support for the airport through various medium. The current FY13 contract amount is \$181,630.